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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/750,548	12/31/2003	Robert S. Cahn	2003-0025 (1166-24)	5580
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AT&T CORP. ROOM 2A207 ONE AT&T WAY BEDMINSTER, NJ 07921				
EXAMINER				
CAMPBELL, KELLIE L				
ART UNIT		PAPER NUMBER		
3691				
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/750,548

**Applicant(s)**

CAHN, ROBERT S.

**Examiner**

KELLIE CAMPBELL

**Art Unit**

3691

**Period for Reply** -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 31 December 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-12 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-12 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 31 December 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-8508)
- Paper No(s)/Mail Date \_\_\_\_\_

- 4) ☐ Interview Summary (PTO-413)
- Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

### **DETAILED ACTION**

1. This is a first, non-final Office Action on the merits. Claims **1-12** are pending and have been examined.

#### ***Specification***

2. The abstract of the disclosure is objected to because it is too long. Correction is required. See MPEP § 608.01(b).

Also, the specification is objected to because of the recitation "rate". This recitation is confusing because it can have different meanings depending on where it is used in the specification. For example, Applicant recites "USPS first class flat rate", as best understood by Examiner the use of "rate" here means an amount charged. However, Applicant also recites "a committed information rate (CIR)", where as best understood by Examiner the use of "rate" means "a magnitude or frequency relative to a time unit". Similar problems exist throughout the specification concerning the recitation of "rate".

35 U.S.C. 112, first paragraph, requires the specification to be written in "full, clear, concise, and exact terms." The specification is replete with the term "rate" which is not clear, concise and exact as shown by the examples put forth above. The specification should be revised carefully in order to comply with 35 U.S.C. 112, first paragraph. Applicant should be careful not to introduce any new matter into the disclosure (i.e., matter which is not supported by the disclosure as originally filed).

Further the specification is objected to for grammatical or typographical errors such as the one found in ¶28, "Thus, the new level billing rate  $C_{LBR}$  will equally the level billing rate for the just-ended level". This recitation should be "Thus, the new level billing rate  $C_{LBR}$  will equal the level billing rate for the just-ended level". The entire specification should be reviewed for the presence of any similar errors and appropriate correction should be made without introducing any new matter into the disclosure (i.e., matter which is not supported by the disclosure as originally filed).

#### ***Oath/Declaration***

3. The oath or declaration is missing. A new oath or declaration in compliance with 37 CFR 1.67(a) identifying this application by application number and filing date is required. See MPEP §§ 602.01 and 602.02.

#### ***Claim Objections***

4. Claim 1 is objected to because of the following informalities: "set the new level bill" should be "setting the new level bill". Appropriate correction is required.

#### ***Claim Rejections - 35 USC § 112***

5. **As per Claims 1-12**, they each recite the term "rate" or "rates". This recitation is vague and indefinite because it is unclear what the term "rate" is intended to cover. Does Applicant intend "rate" to mean "a magnitude or frequency relative to a time unit"? Does Applicant intend "rate" to mean "a

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monetary amount charged". Clarification is required. For purposes of examination, Examiner will interpret "rate" to mean a monetary amount charged".

6. **As per Claims 1-3**, they each recite the term "cost". This recitation is vague and indefinite because it is unclear what the term "cost" is intended to cover. Does Applicant intent the term "cost" to mean "resources used to produce a good or service" or does the term "cost" mean "money obligated for goods and services received". Clarification is required. For purposes of examination, Examiner will interpret "cost" to mean money.

7. **As per Claim 1**, it recites "said establishing for each current level billing period upon its expiration". This recitation is confusing because it is unclear what is being established. For purposes of examination Examiner will interpret the recitation as "said establishing the current level billing rate for each current level billing period upon its expiration".

8. **As per Claim 1**, it recites "current level". This recitation is vague and indefinite because it is unclear what the term "level" is intended to cover. By level is Applicant referring to a service level? By level is applicant referring to a billing amount charged? Clarification is required. For purposes of examination, Examiner will interpret the recitation to mean a current billing amount charged.

As per claims 2-12, the claims are rejected on the same basis as claim 1 due to their dependency on claim 1.

***Claim Rejections - 35 USC § 101***

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9. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

10. **Claims 1-12** are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

11. **As per Claim 1**, it recites a process comprising the steps of "billing", "determining", "setting", "establishing", and "repeating". Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780,787-88 (1876)). Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplished the method steps or positively reciting the subject matter that is being transformed, for example by identifying the material that is being changed to a different state. Therefore, Claim 1 is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

12. **As per Claims 2-12**, they each depend either directly or indirectly from Claim 1 and do not cure the deficiencies set forth above. Therefore, Claims 2-12 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

***37 CFR 1.105 Request***

13. Applicant and the assignee of this application are required under 37 CFR 1.105 to provide the following information that the examiner has determined is reasonably necessary to the examination of this application.

In response to this requirement, please provide the title, citation and copy of each publication that any of the applicants relied upon to draft the claimed subject matter. For each publication, please provide a concise explanation of the reliance placed on that publication in distinguishing the claimed subject matter from the prior art.

In response to this requirement, please state whether any search of prior art was performed. If a search was performed, please state the citation for each prior art collection searched. If any art retrieved from the search was considered material to demonstrating the knowledge of a person having ordinary skill in the art to the disclosed request for transaction with attributes please provide the citation for each piece of art considered and a copy of the art.

In responding to those requirements that require copies of documents, where the document is a bound text or a single article over 50 pages, the requirement may be met by providing copies of those pages that provide the particular subject matter indicated in the requirement, or where such subject matter is not indicated, the subject matter found in applicant's disclosure.

Examiner has reviewed the claims and would like to know from where, specifically, the mathematical algorithm presented in claim 1, 2, 3, 4, and 9

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originated or is derived. Specifically, Examiner requests that the Applicant provide references to textbook(s), publication(s), etc. where the equation of claims 20, 21 and 22 can be found. If the algorithms are derived from existing equations or algorithms, Examiner would like to know where the existing equations or algorithms can be found.

Also, Examiner requests information directed to current practice of any usage based billing algorithms or equations relevant to claims 1, 2, 3, 4 and 9 that were determined prior to the filing date of the present application or related applications.

Further, Examiner requests to know the existence of any particularly relevant commercial database, any user manuals, automation guides, sales presentation materials, or product descriptions known to any of the inventors that could be searched for the algorithms in claim 1, 2, 3, 4 and 9 claimed or offered for sale or sold more than one year prior to the filing date of the present application or related applications.

The fee and certification requirements of 37 C.F.R. § 1.97 are waived for those documents submitted in reply to this requirement. This waiver extends only to those documents within the scope of this requirement under 37 C.F.R. § 1.105 that are included in the applicant's first complete communication responding to this requirement. Any supplemental replies subsequent to the first communication responding to this requirement and any information disclosures beyond the scope of this requirement under 37 C.F.R. § 1.105 are subject to the fee and certification requirements of 37 C.F.R. § 1.97.



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The applicant is reminded that the reply to this requirement must be made with candor and good faith under 37 CFR 1.56. Where the applicant does not have or cannot readily obtain an item of required information, a statement that the item is unknown or cannot be readily obtained will be accepted as a complete response to the requirement for that item.

This requirement is an attachment of the enclosed Office action. A complete reply to the instant Office action must include a complete reply to this requirement. The time period for reply to this requirement coincides with the time period for reply to the instant Office action.

***Remarks: Optional Elements***

Applicant(s) are reminded that optional or conditional elements do not narrow the claims because they can always be omitted. See e.g. MPEP §2106 II C:

“Language that suggests or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation. [Emphasis in original.]”; and In re Johnston, 435 F.3d 1381, 77 USPQ2d 1788, 1790 (Fed. Cir. 2006) (“As a matter of linguistic precision, optional elements do not narrow the claim because they can always be omitted.”).

“As a matter of linguistic precision, optional elements do not narrow the claim because they can always be omitted.” In re Johnston, 435 F.3d 1381, 77 USPQ2d 1788, 1790 (Fed. Cir. 2006)(where the Federal Circuit affirmed the

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Board's claim construction of "further including that said wall may be smooth, corrugated, or profiled with increased dimensional proportions as pipe size is increased" since "this additional content did not narrow the scope of the claim because these limitations are stated in the permissive form 'may.'").

### ***Conclusion***

Additionally, the following prior art made of record and not relied upon are considered pertinent to applicant's disclosure.

- a. U.S. Patent Application Publication No. 2004/0122764 to Bilski et al.  
directed to usage based billing;
- b. U.S. Patent No. 6,201,957 Son et al. directed to usage based billing in  
different zones.
- c. Nick G. Duffield, Carsten Lund, Mikkil Thorup: Charging from sampled  
network usage. Internet Measurement Workshop 2001: 245-256  
directed to usage based billing.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Kellie Campbell whose telephone number is (571) 270- 5495. The examiner can normally be reached on Monday through Thursday, 6:30 am to 5 pm est. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pairedirect.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

KC

/Alexander Kalinowski/

Supervisory Patent Examiner, Art Unit 3691